

INDIANAPOLIS DEPARTMENT OF WATERWORKS  
BOARD OF DIRECTORS

RESOLUTION NO. 8, 2005

APPROVAL OF CERTAIN INCENTIVE PAYMENTS FOR CALENDAR YEAR 2004

WHEREAS, the Department of Waterworks (the "Department") has entered into that certain Management Agreement dated as of March 21, 2002 (the "Management Agreement"), with Veolia Water Indianapolis, LLC ("VWI") for the operation of the waterworks assets; and

WHEREAS, the Department has certain duties and obligations under the Management Agreement; and

WHEREAS, under the terms of the Management Agreement and following an assessment and review of VWI's performance thereunder, the Department shall, as appropriate, remit payment to VWI for the performance of certain incentive criteria set forth in the Management Agreement; and

WHEREAS, the Director of Contracts and Operations, in consultation with the Office of Corporation Counsel and the Controller's Office, recommends that the Department's Board of Directors (the "Board") remit payment for such Management Agreement incentives as set forth in Exhibit A attached hereto and incorporated herein by reference (collectively, the "Incentive Payments"); and

NOW, THEREFORE, BE IT RESOLVED by the Board that it hereby approves the Department's remittance of the Incentive Payments to VWI;

BE IT FURTHER RESOLVED by the Board that the Director of Contracts and Operations of the Department in consultation with the Office of Corporation Counsel and the Controller's Office is hereby authorized and directed to: (i) prepare, execute and deliver the Incentive Payments and every other document, certificate, instrument, agreement or affidavit as may be necessary, convenient or proper to effectuate the intent and purposes of the Incentive Payments, as appropriate; (ii) prepare, execute and deliver each and every document, certificate, instrument, agreement or affidavit as may be necessary, convenient or proper to effectuate the intent and purposes of these resolutions, as appropriate; and (iii) to take any and all such additional action as may be necessary, convenient or proper to effectuate the intent and purposes of these resolutions, as appropriate; and

BE IT FURTHER RESOLVED by the Board that it ratifies any and all actions of the Director of Contracts and Operations, the Controller's Office and the Office of Corporation Counsel previously undertaken as may have been necessary, convenient or proper to effectuate the intent and purposes of these resolutions.

**CONSOLIDATED CITY OF INDIANAPOLIS,  
DEPARTMENT OF WATERWORKS,  
BOARD OF DIRECTORS**

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Jack Bayt

*Carmen Hansen-Rivera*  
Carmen Hansen-Rivera

*Samuel L. Odle*  
Samuel L. Odle

*Beulah Coughenour*  
Beulah Coughenour

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Barbara Howard

*Dan DeMars*  
Dan DeMars

Attest:

*S. Michael Hudson*  
S. Michael Hudson,  
Secretary-Treasurer

## 2004 MONETARY INCENTIVE SUMMARY

INCENTIVE AVAILABLE	\$4,700,859.43			INCENTIVE EARNED
% EARNED	92.25%	PERCENT	EARNED	\$4,336,542.82
<b>CUSTOMER SERVICE</b>				
Customer Satisfaction Surveys	3.50%	YES		\$164,530.08
Customer Service Access	3.50%	YES		\$164,530.08
Incoming Call Answers (w/in 30 seconds)	3.50%	YES		\$164,530.08
Customer Call Abandonment Rate	3.50%	YES		\$164,530.08
Collection Rate	3.50%	NO		\$0.00
Customers w/o Water Service	3.50%	YES		\$164,530.08
Turn Ons / Shut Offs	3.50%	YES		\$164,530.08
Emergency Response Rate	3.50%	YES		\$164,530.08
Customer Service Response Rate	3.50%	YES		\$164,530.08
Meter Reading	3.50%	YES		\$164,530.08
<b>WATER QUALITY</b>				
Primary Water Quality Standards	4.2857%	YES		\$201,196.78
Secondary Water Quality Standards	4.2857%	YES		\$201,196.78
Meet Regulatory & Compliance Requirements	4.2857%	YES		\$201,196.78
MIB (2-Methylisoborneol) Ng/L	4.2857%	YES		\$201,196.78
Threshold Odor Number (TON)	4.2857%	YES		\$201,196.78
Geosmin	4.2857%	YES		\$201,196.78
Combined MIB (2-Methylisoborneol) / Geosmin	4.2857%	YES		\$201,196.78
<b>CAPITAL</b>				
Critical Plan Identification	10%	YES		\$470,085.94
Excess Capital Projects	5%	YES		\$235,042.97
<b>TECHNICAL O &amp; M</b>				
Planned Maintenance as a % of Total Maintenance \$	1.25%	YES*		\$58,760.74
Main Breaks	1.25%	YES		\$58,760.74
Hydrant Repair	1.25%	YES		\$58,760.74
Water Supply - AVERAGE DAY MGD	1.25%	YES		\$58,760.74
Water Supply - PEAK DAY MGD	1.25%	NO		\$0.00
Meet Pressure Improvement Plan	1.25%	YES		\$58,760.74
IMAGIS Information	1.25%	YES		\$58,760.74
Lost Time & Recordable Incident Rate	1.25%	YES *		\$58,760.74
<b>DISCRETIONARY MEASURES</b>				
MBE/WBE Goals for Capital	1.00%	YES		\$47,008.59
MBE/WBE Goals for O & M	1.00%	YES		\$47,008.59
Citizen's Advisory Group Satisfaction Rating	1.00%	YES *		\$47,008.59
Local Providers	1.00%	YES		\$47,008.59
Capital Program Adherence	1.00%	YES		\$47,008.59
Capital Construction	1.00%	YES		\$47,008.59
Revenue Enhancement	1.00%	YES		\$47,008.59
Projects on Schedule	1.00%	NO		\$0.00
Unaccounted for Water	1.00%	NO		\$0.00
Contractually Required Reports	1.00%	NO		\$0.00

\* Denotes Awarded per the Coordination Committee

ARC 02/08/05 CEC 02/16/05